BOND INOTICE OF CANCELLATION

m/001/01/9

May 4, 1998

OBLIGEE:

State of Utah Dept. of Natural Resources P.O. Box 145801 Salt Lake City, UT 84114

R.P. HORTON P.O. Box 150271 E. Ely, NV 89315

Please take notice that Frontier Insurance Co. elects to cancel the below described bond.

Kind of bond:

Miscellaneous License & Permit

Bond number: License number: Bond Amount:

Principal:

\$15000.00

R.P. HORTON P.O. Box 150271 E. Ely, NV 89315

Cancellation to become effective ninety (90) days from the receipt of this notice or 07/31/1998, whichever is latest.

Bond cancelled for non-payment of renewal premium.

Address all correspondence relating to this notice to:

San Diego Home Office 4250 Executive Sq, Ste 200 La Jolla, CA 92037.

For Frontier Insurance Co.

CALLED RUSSELS, NG HOUSE, OAKE OF IT!

DIV. OF OIL, GAS & MINING

11 OBLIGEE

INSURANCE MANAGEMENT SERVICE P. O. BOX 449 ELY, NV 89301